

**PROPERTY ASSESSMENT APPEAL BOARD  
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2019-091-00088R

Parcel No. 63170120035

**Paul Hollstein,**  
Appellant,

vs.

**Warren County Board of Review,**  
Appellee.

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**Introduction**

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on October 16, 2019. Paul Hollstein was self-represented. Chief Deputy Assessor Tim Konrad represented the Warren County Board of Review.

Paul and Kelly Hollstein own a residential property located at 215 High Road, Norwalk. Its January 1, 2019, assessment was set at \$401,700, allocated as \$70,000 to land value and \$331,700 to improvements. (Ex. A).

Hollstein petitioned the Board of Review claiming his assessment was not equitable as compared to assessments of other like property. Iowa Code § 441.37(1)(a)(1) (2019). The Board of Review denied the petition.

Hollstein reasserted his equity claim to PAAB and also asserted his property was assessed for more than authorized by law. § 441.37(1)(a)(1 & 2).

**General Principles of Assessment Law**

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the

appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

### Findings of Fact

The subject property is a two-story home built in 2014. It has 2628 square feet of gross living area, an unfinished basement, a deck, an open porch, and a three-car attached garage. The improvements are listed in normal condition with a 2-10 Grade (high quality). The site is 0.266 acres. (Ex. A). Hollstein’s property backs to The Legacy Golf Club in Norwalk.

Hollstein testified his 2019 assessment was the largest increase in his neighborhood and now totals \$152.85 per square foot.

Hollstein submitted four comparable properties to the Board of Review. Two of the four have subsequently sold; one in 2018 and one in 2019. (Exs.1, C & C1). He submitted three additional sales to PAAB. (Exs. 2 & 3). All of Hollstein’s comparables are summarized in the following table.

Comparable	Grade	Gross Living Area (SF)	Bsmt Finish	Assessed Value	Sale Date	Sale Price	SP/SF	AV/SP ratio
Subject	2-10	2628	0	\$401,700	NA	NA	NA	NA
1 – 312 W High Rd	NA	2764	0	\$395,800	April-18	\$370,686	\$134.11	1.07
2 – 2012 Serenity Cr	NA	2626	0	\$391,800	Jun-18	\$379,804	\$144.63	1.03
3 – 424 W High Rd	3+10	2626	0	\$378,300	May-18	\$382,332	\$145.59	0.99
4 – 1723 Dorchester St	3+05	2742	840	\$393,900	NA	NA	NA	NA
5 – 2008 Serenity Cir	3+10	2620	0	\$384,900	Jan-19	\$364,900	\$139.27	1.05
6 – 315 High Rd	3+00	2433	900	\$359,200	NA	NA	NA	NA

All of the properties are two-story homes, built between 2013 and 2017. All of the sales have unfinished basements like the subject. (Ex. 3). Sales 4 and 6 are golf course lots like the subject.

The record includes summary property cards for Comparables 3-6. (Ex. D). These reveal grade ratings between 3+00 and 3+10 (good quality) for the comparables, which is lower than the subject's Grade 2-10 (high quality). A lower grade would indicate lesser quality construction and therefore a lower assessed value, which likely accounts for some of the differences in assessments in these properties.

While facially, these properties appear comparable to the subject property, the record does not include other features or amenities they may possess. None of the sales were adjusted for differences between them and the subject to conclude an opinion of market value for the subject.

The average and median assessment to sale price ratio of Hollstein's 2018 sales is 1.03. A ratio less than 1.00 suggests properties are assessed for less than their market value, whereas ratios greater than 1.00, suggest properties are assessed for more than their market value. Hollstein's assessment/sales ratios suggest the assessments are slightly over market value. Although his assessed value per square foot of \$152.85 is the highest, there appear to be too many differences between the sales and the subject to make a meaningful comparison on that basis alone.

The following table summarizes four 2018 sales the Board of Review asserts are the most similar to the subject property. (Ex. E).

Comparable Sale	Grade	Gross Living Area (SF)	Bsmt Finish	2019 Assessed Value	2018 Sale Price	SP/SF	AV/SP Ratio
Subject	2-10	2628	0	\$401,700			
A – 231 W High Rd	2+00	2743	0	\$435,100	\$382,818	\$139.56	1.14
B - 1908 Serenity Cr	3+10	2283	606	\$393,700	\$386,900	\$169.47	1.02
C - 1916 Serenity Cr	3+5	2005	800	\$369,200	\$370,000	\$184.54	1.00
D - 1815 Wethersfield	2-5	2692	1200	\$500,200	\$485,000	\$180.16	1.03

None of the sales were adjusted for differences between them and the subject.

All of the sales are two-story homes built between 2015 and 2017 and have a grade rating between 2+00 and 3+10. The properties that have superior Grade 2 listings

as compared to Hollstein's property, do have higher assessments. Sales B, C, and D have basement finish and all are newer than the subject which may explain the higher sales price per square foot values. Minimal other information about the amenities of the comparables is in the record. A review of the partial property record cards reflects the footprint of Sale A is virtually identical to the subject and is the only comparable with no basement finish. (Ex. E, pp. 2 & 6). Hollstein testified Sale A was built by the same builder as his home and is three years newer. It also has a Grade 2+00 for high quality whereas the subject is grade 2-10, which is slightly inferior.

Hollstein was critical of the Board of Review's sales noting that Comparables B and C have significantly less square footage than the subject. Comparable D has higher quality finish, a different floor plan, and in his opinion is not really comparable as it has an assessed value almost \$100,000 more than his property.

These 2018 sales indicate an assessed-value-to-sale-price ratio range from 1.00 to 1.14. These ratios indicate that properties like the subject are assessed at, or for more than their market value. Sale A sets the upper end of the range for the ratios in the record; it sold for \$52,282 less than its assessed value and is most similar to the subject. Tim Konrad was unaware of the circumstances surrounding the sale that might suggest a reason for the large discrepancy between the assessment and sale price. He was aware of the realtor listing for the property initially set a list price of \$429,000.

### **Analysis & Conclusions of Law**

Hollstein contends the assessment is not equitable as compared with assessments of other like property and that the subject property is assessed for more than authorized by law under Iowa Code section 441.37(1)(a)(1 & 2).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Hollstein offered no evidence of the Assessor applying an assessment method in a non-uniform manner.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The *Maxwell* test provides that inequity exists when, after considering the actual values (2018 sales) and assessed values (2019 assessments) of comparable properties, the subject property is assessed at a higher portion of its actual value. The record includes seven 2018 comparable sales with ratios between 0.99 and 1.14; Konrad was unable to explain why 231 W High Road sold for so much less than its current assessment. We note this property has the highest grade in the record of 2+00. Only one other sale and Hollstein's property bear a similar grade.

The majority of recent sales suggest that assessments of similar properties are at, or slightly above market value. Although Hollstein has demonstrated assessment/sales ratios for his comparables, he must also show the subject property's actual value to complete the ratio analysis. Since a showing of the subject's actual value is also required in an over assessment claim, we will forego further analysis of the inequity claim and turn our focus to that claim.

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* The sales comparison method is the preferred method for valuing property under Iowa law. *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d at 398; *Soifer*, 759 N.W.2d at 779; *Heritage Cablevision v. Bd. of Review of Mason City*, 457 N.W.2d 594, 597 (Iowa 1990).

The first step in this process is determining if comparable sales exist. *Soifer*, 759 N.W. 2d at 783. "Whether other property is sufficiently similar and its sale sufficiently normal to be considered on the question of value is left to the sound discretion of the

trial court.” *Id.* at 782 (citing *Bartlett & Co. Grain Co. v. Bd. of Review of Sioux City*, 253 N.W.2d 86,88 (Iowa 1977)).

Hollstein submitted six properties that he believes demonstrate his property is over assessed. However, none of the sales were adjusted for differences between them and the subject property. Despite these properties being facially similar, without adjustment for any differences that may exist, we do not find they offer a reliable reflection of the subject property’s fair market value as of January 1, 2019.

Viewing the record as a whole, we find Hollstein failed to support his claims.

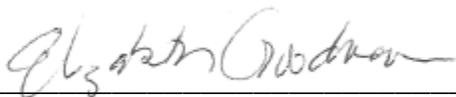
### **Order**

PAAB HEREBY AFFIRMS the Warren County Board of Review’s action.

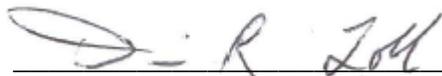
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Elizabeth Goodman, Board Member



Dennis Loll, Board Member



Karen Oberman, Board Member

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Warren County Board of Review by eFile